

HOUSE BILL 1312
By Fowlkes

AN ACT to amend Tennessee Code Annotated, Title 67, relative to inheritance tax exemptions and rates.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-8-316, is amended by deleting subsection (b) in its entirety and substituting instead the following:

(b) For the sole purpose of determining the net taxable estate under this part and part 4 of this chapter, there shall be allowed against the net estate a maximum single exemption against that portion of the estate distributable to one (1) or more beneficiaries of an amount to be determined by the following schedule:

In the case of a decedent dying:	Amount
On or after July 1, 1998, but before January 1, 1999	\$ 625,000
In 1999	650,000
In 2000 and 2001	675,000
In 2002 and 2003	700,000
In 2004 and 2005	1,500,000
In 2006, 2007, and 2008	2,000,000

In 2009 and thereafter

3,500,000

SECTION 2. Tennessee Code Annotated, Section 67-8-314, is amended by deleting from subdivision (4) the language "In the case of a decedent dying after 1988:" and by substituting instead the language: "In the case of a decedent dying after 1988 but before 2004:".

Tennessee Code Annotated, Section 67-8-314, is further amended by adding the following new language after subdivision (4):

(5) In the case of a decedent dying on January 1, 2004, or thereafter:

If the net taxable estate is:

The tax is:

Not over \$40,000

5.5% of the net taxable estate.

Over \$40,000 but not over \$240,000

\$2,200, plus 6.5% of the excess over \$40,000.

Over \$240,000 but not over \$440,000

\$15,200, plus 7.5% of the excess over \$240,000.

Over \$440,000

\$30,200, plus 14% of the excess over \$440,000.

SECTION 3. This act shall take effect on January 1, 2004, the public welfare requiring it, and shall apply to estates of decedents dying on or after that date.